

Finance Council

Meeting Notes from May 3, 2005

ATTENDANCE:

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| <input checked="" type="checkbox"/> BOB BALDWIN | <input checked="" type="checkbox"/> MARIE MATSEN |
| <input checked="" type="checkbox"/> STAN BARKER | <input type="checkbox"/> JEREMY RIEL |
| <input type="checkbox"/> DENNIS CARR | <input checked="" type="checkbox"/> JIM SALT |
| <input type="checkbox"/> SONYA CHRISTIAN | <input type="checkbox"/> KIRSA WHEDON |
| <input type="checkbox"/> CHRIS CULVER | <input type="checkbox"/> Kay Malmberg |
| <input checked="" type="checkbox"/> DAVE KEEBLER | NOTETAKER: TERRY |
| <input type="checkbox"/> RYAN KOCH | CARON |

OUTCOMES:

1. The following was added to the agenda:
 - Third-Quarter Fiscal Report
 - Transparency Goals
2. Notes changed on page 2, 2nd bullet, to indicate that the college has already change the term “differential tuition” to “differential pricing.”
3. No action taken.
4. FC will further discuss Transparency goals at a future FC meeting.
5. Baldwin will a prepare for FC’s review a draft recommendation of the tuition policy directed to the President.

DISCUSSION:

Handouts: 1) PERS Reserve Baseline Data (Matsen), 2) Historical/Current data on Resident and International Student Rates (Salt), 3) Proposed Additional Classes Policy Statement (Salt), 4) Fy06 OPE Calculations (Matsen), 5) 3rd Quarter Report (Matsen)

1. AGENDA

FC reviewed the agenda for additions/deletions.

2. April 19 Draft Meeting Notes

FC reviewed meeting notes for final approval.

3. State Budget

Matsen reported that the state funding for community colleges continues to remain at the \$420M level and the funding formula is closer to final resolution. Marie will calculate what percentage of the total state funding Lane will receive.

4. Transparency Goals

FC has requested from Marie Matsen a summary of the transparency goals in order to report back to their groups how the current budget development process lines up with the Transparency Committee goals. Matsen recommended that the FC review the Budget Development web sites for 2004-05 and 2005-06:

<http://www.lanecc.edu/budget/0405/budget0405.html>

<http://www.lanecc.edu/budget/0506/budget0506.html>

to compare what is on these sites with the Transparency Group’s

recommendations here: <http://www.lanecc.edu/budget/022702recomm.htm>

and here: <http://www.lanecc.edu/budget/022702goals.htm>.

5. Tuition Policy (Handout)

FC discussed making a recommendation to the President changes to the current Board Tuition Policy, D110. a) FC recommends the deletion of the “sunset clause.” b) FC recommends that the policy include a statement that ensures

OUTCOMES:	DISCUSSION:
<p>Bob Baldwin will contact Craig Taylor for more data regarding non-residents and international students and possible information to determine if there are particular programs where international students are heavily clustered ?</p>	<p>that the Board will compare Lane’s tuition with other similarly-sized community colleges.</p> <p>Salt provided FC with information on resident and international student tuition rates from 1996-2005. The analyses show an assumption that if international students have covered 100% of their costs since 1996, the tuition rate increases of international students is virtually identical to those for residents.</p> <p>Comments:</p> <ul style="list-style-type: none"> • If the college is to attract more international students, should their tuition rate be reviewed to ensure their actual costs are covered but not beyond? • Matsen stated that discussions on the international student issue are being held in other arenas such as Learning Council and Executive Team. FC could make their concerns know to these two groups so a larger perspective could be examined. • More information would be necessary to get a true picture of what is “non-residents vs international students data. • Tuition rates have already been advertised in the class schedule and catalog. Any changes would need to be proposed for FY06-07. • FC is considered the following recommendation to the President: <i>The actual costs of tuition for international students should not exceed or be less than the actual cost of the programs based on the total operating costs divided by FTE.</i> A vote was taken and there was not consensus among the members. • Discussion is tabled to next meeting.
<p>6. Matsen will present FC’s recommendation to the president to add Option #4 at 0% rate to the PERS Reserve spreadsheet.</p>	<p>6. PERS Reserve (Handout) Matsen reviewed her handout and FC discussed Options 1-3. Marie stated that the Board was currently in favor of Option #1, the more conservative funding rate of 3.92% and which maintains the current funding level. Salt recommended a fourth option of 0%. Matsen said that the president will discuss the PERS funding options at the Budget Committee meeting on May 11. FC voted with modified consensus to recommend the addition of “Option #4” to the PERS Reserve spreadsheet. Option #4 would have a rate of 0%.</p>
<p>7. Baldwin to invite Sonya Christian to FC for discussion of a tuition-based classes and extra session policy.</p>	<p>7. Extra Session Policy (Handout) Salt provided FC with another working draft policy.</p> <p>Comments:</p> <ul style="list-style-type: none"> • FC needs a longer discussion to include more instructional staff. • Policies need more direction. • Tuition-based class model makes sense in an enrollment growth model but breaks down during decreasing enrollment and less demand. • Are we adding the “right” extra sections? • How do we assist the students’ needs for fulfilling their degree requirements? • What is the priority for allocating extra section funds. • Does extra section funding fulfill the purpose of increasing FTE and meeting class demands? • Combine funds from tuition-based classes to ensure extra sections needs? • A new policy should ensure a full accounting of how funds are used and revenues generated.

OUTCOMES:

DISCUSSION:

- How do additional costs for student factor into policy?
- Some department chairs go to OISS for additional section funding, others add sections with ability to meet costs.

The next Finance Council meeting is May 18, 2-4PM, Board Room.

Future Agenda:

- Transparency Goals
- Residency issues – what are true costs?
- Finance Council Work Plan
- Extra sections/Tuition-based classes with VP for Instruction
- Differential pricing
- Long-Range Financial Planning